

**Cape & Vineyard Electric Cooperative, Inc.**  
**Executive Committee**  
**Executive Session Meeting Minutes**  
**Tuesday, August 26, 2014**

The Cape & Vineyard Electric Cooperative, Inc. Executive Committee met in Executive Session on Tuesday, August 26, 2014 @ 9:30 a.m. in the Harbor View Conference Room, 3195 Main Street, Barnstable MA 02630

**PRESENT WERE:**

1. John C. Checklick, President/Executive Committee Member/Director, Falmouth
  2. Charles McLaughlin, V. President/Executive Committee Member/Director, Barnstable @ 10:46 a.m.
  3. Peter Cabana, Member at Large/Executive Committee Member/Director, Dukes County
  4. Stephan Wollenburg, Executive Committee Member/Director/Cape Light Compact
  5. Sheila Lyons, Executive Committee Member/Director, Barnstable County
- Charles Hanson, Director, Brewster  
S. Gavin, Director, Yarmouth @ 12:10 p.m.

**LEGAL COUNSEL**

Rebecca Zachas, Esq., BCK Law, P.C. –participating remotely by telephone @ 10:35 a.m.-12:08 p.m.

**STAFF PRESENT:**

Liz Argo, Special Projects Coordinator  
Karen Loura, Assistant Clerk

**5. OPEN SESSION VOTE ON ENTRY INTO EXECUTIVE SESSION**

At 9:54 a.m. P. Cabana moved the Committee vote to enter into Executive Session, seconded by S. Lyons. Pres. Checklick stated the reasons for entering into Executive Session as published on the Meeting Notice/Agenda as follows:

- a) Consideration of and Vote to Approve Executive Committee Executive Session Meeting Minutes pursuant to MGL Ch. 30A § 21 (a) (10) and M.G.L. c. 30A, Section 21(a) (1).
- b) M.G.L. c. 30A, Section 21 (a) (10): Discussion and potential voting regarding Renewable Energy Procurement Options. (Confidential and competitively sensitive information).
- c) Discussion and potential voting regarding appeal of Yarmouth ZBA denial of
  - i. Special Permits for Dennis/Yarmouth Solar Projects and abutter's appeal of
  - ii. The Mattacheese Ground Mount Building Permit pursuant to M.G.L. c. 30A, §21 (a) (3) (litigation and strategy discussion).

As Chairman, he stated that an open session may have a detrimental effect on CVEC's ability to conduct business in relation to other entities making, selling or distributing electric power and energy and a detrimental effect on the bargaining or litigating position of the public body. He said the Board would return to Open Session at the conclusion of Executive Session. *The Committee then voted by roll call vote as follows:*

- |                                      |     |                                |     |
|--------------------------------------|-----|--------------------------------|-----|
| 1. P. Cabana, Dukes County           | Yes | 3. J. Checklick, Falmouth      | Yes |
| 2. S. Wollenburg, Cape Light Compact | Yes | 4. S. Lyons, Barnstable County | Yes |
- Motion carried in the affirmative (4-0-0).*

**5(A) CONSIDERATION OF EXECUTIVE SESSION MEETING MINUTES**

The Committee considered the August 7, 2014 Executive Committee Executive Session Meeting Minutes. J. Checklick requested a language change for clarification that he offered to provide a listing of best practices regarding minute taking on page 2. S. Wollenburg moved to the Committee vote to accept the minutes as amended, seconded by P. Cabana and voted by roll call vote as follows:

- |                                      |     |                                |     |
|--------------------------------------|-----|--------------------------------|-----|
| 1. P. Cabana, Dukes County           | Yes | 3. J. Checklick, Falmouth      | Yes |
| 2. S. Wollenburg, Cape Light Compact | Yes | 4. S. Lyons, Barnstable County | Yes |
- Motion carried in the affirmative (4-0-0).

As a result of reviewing the minutes, S. Lyons requested and was provided clarification and background relative to the Dennis Landfill Solar installation and the Dennis/Yarmouth Regional School District's Agreement with both the Town of Dennis and CVEC for energy. She was provided details of CVEC's position and interest in DYRSD's overlapping Agreements and the potential scenarios once NSTAR decides the method of accounting (allocation method or cash out method) and their impact on DYRSD.

**5(B) RENEWABLE ENERGY PROCUREMENT OPTIONS**

L. Argo provided a summary of the procurement opportunity available with Future Generation Wind (FGW) for new member S. Lyons. FGW has approached each town directly to solicit participation. The Committee reviewed a draft Letter of Intent to Enter into a Net Metering Power Purchase Agreement (LOI) to be considered by the Executive Committee followed by a Power Purchase Agreement to be presented to the Board of Directors for approval at the September 18, 2014 Annual Meeting. CVEC is currently negotiating terms of guarantee with FGW. FGW needs the Agreement with CVEC to be finalized and executed by mid-November. If not, FGW will move on to an alternate buyer. The purchase would involve 1.3MW of electricity and CVEC would make agreement conditional upon the ability to distribute the total amount received to off-takers.

*Rebecca Zachas, Esq., BCK Law joined the meeting by phone at this time. (10:35 a.m.)*

Atty. Zachas informed the Board she is negotiating with FGW representing CVEC. L. Argo explained that CVEC has requested a fixed price (which is unusual with wind generation) vs. a variable price tied to NM credits. FGW has offered a purchase price to CVEC of 11.5¢/kWh. CVEC would add a .5¢ Operational Adder and offer 12¢/kWh price to off-takers. The proposal is for 20 years consisting of 4 Gamesa Turbines situated on 2 acres of Cranberry Bogs located in Plymouth, Mass. The Developer has all permits and is in agreement with their neighbors. L. Argo said the proposed system is far different than what is in Falmouth. ConEdison Solutions is the financier of the project. CVEC has previously agreed to limit legal expenditures to bring about a mutually agreeable contract.

The Committee reviewed the draft Net Metering Power Purchase Agreement.

The Committee discussed minimum and maximum production cap provisions.

The Committee reviewed a sheet entitled "Calculating the One Time 3-year Adjustment" relative to the draft provision being proposed for inclusion in the PPA as prepared by L. Argo.

The Committee reviewed a spread-sheet showing preliminary calculations for allocation of excess generation available to offer off-takers.

The Committee discussed provisions relative to the extent of CVEC's continued participation in the event of catastrophic event curtailing production for extended periods of time. C. McLaughlin raised the Portsmouth experience seeking protections for CVEC from finding itself in a similar situation. S. Wollenburg recommended CVEC consider other capacity factors and J. Checklick agreed to obtain verification from FGW and forward the information to S. Wollenburg. There was discussion about CVEC's exposure in the event of a mechanical failure repaired using improved technology which increases output. Atty. Zachas agreed to insert language to provide protection to CVEC.

There was discussion about demand of prospective off-takers. L. Argo reported the Developer for Round I (G&S) has recently provided lower production numbers which will also impact supply. L. Argo reported participants in the off-taker program will receive about half of the amount requested.

S. Wollenburg said he has not seen wind produce more generation consistently.

S. Wollenburg said he is interested provisions pertaining to extended periods of system in-operation and to see language to protect CVEC from the type of dilemma occurring in Portsmouth.

Pres. Checklick said he is continuing to negotiate a lower price but that once the LOI is approved, L. Argo will be authorized to schedule presentations to off-takers. C. McLaughlin stressed Barnstable's concerns with wind generation being impacted by hydro Quebec and an increase in natural gas delivery to the region. Barnstable is unwilling to enter into an agreement where they are upside down in the market. S. Wollenburg said the scenario is the same as with 20 MW solar generation. C. McLaughlin requested provisions enabling CVEC to re-price or terminate contract after 10 years adding that the Town's may also be looking for that protection.

C. Hanson asked that a summary of major differences between Wind Contracts and Solar Contracts be prepared and provided to the Towns. Atty. Zachas said that is a good idea.

There was discussion about the legal budget for this opportunity.

C. McLaughlin said he is prepared to move forward with the LOI but that he is unsure how he will proceed and vote in September because of open-ended areas of concern remaining.

P. Cabana said he cannot support the LOI because of the cap on legal fees. L. Argo said Dukes County was ready to sign with FGW independently (but did not since they signed an agreement with CVEC) and she listed the entities replying enthusiastically.

S. Wollenburg expressed his support indicating there is a risk but less of a risk than other opportunities.

C. McLaughlin said it is providing an opportunity to member towns which they expect from CVEC.

*S. Wollenburg moved the Committee approve the LOI as edited and to authorize the President to execute it and to authorize L. Argo to solicit towns that may be interested in purchasing from this contract, seconded by S.*

*Lyons and voted by roll call as follows:*

- |   |            |                                       |            |
|---|------------|---------------------------------------|------------|
| <i>1. C. McLaughlin, Barnstable</i>         | <i>Yes</i> | <i>4. S. Lyons, Barnstable County</i> | <i>Yes</i> |
| <i>2. S. Wollenburg, Cape Light Compact</i> | <i>Yes</i> | <i>5. P. Cabana, Dukes County</i>     | <i>No</i>  |
| <i>3. J. Checklick, Falmouth</i>            | <i>Yes</i> |                                       |            |

*Motion carried in the affirmative (4-1-0).*

L. Argo was asked to inform the off-takers that the matter will come before the Board of Directors on September 18<sup>th</sup> inviting them to the opportunity to weigh in on the vote.

*At 12:08 p.m. Atty. Zachas ended telephone participation.*

**5(C)YARMOUTH ZBA DENIAL OF SPECIAL PERMIT FOR DENNIS/YARMOUTH SOLAR PROJECTS AND ABUTTER'S APPEAL OF THE MATTACHEESE GROUND MOUNT BUILDING PERMIT**



At 12:20 p.m. *S. Lyons moved to adjourn Executive Session and to reconvene in Open Session, seconded by S. Wollenburg and voted by roll call vote as follows:*

- |   |            |                                       |            |
|---|------------|---------------------------------------|------------|
| 1. <i>C. McLaughlin, Barnstable</i>         | <i>Yes</i> | 4. <i>S. Lyons, Barnstable County</i> | <i>Yes</i> |
| 2. <i>S. Wollenburg, Cape Light Compact</i> | <i>Yes</i> | 5. <i>P. Cabana, Dukes County</i>     | <i>No</i>  |
| 3. <i>J. Checklick, Falmouth</i>            | <i>Yes</i> |                                       |            |
- Motion carried in the affirmative (5-0-0).*

Respectfully submitted,

Karen E. Loura  
Assistant Clerk

List of Documents and Exhibits:

- Meeting Notice/Agenda
- 8/7/14 Executive Committee Executive Session Meeting Minutes – Draft
- BCK Law - Draft Letter of Intent to Enter into a Net Metering Power Purchase Agreement dated 8/25/14 [Confidential & Privileged Attorney/Client Communication Exempt from Public records disclosure pursuant to GL Ch. 4§7, cl.26 (d, h and s)]
- Net Metering Power Purchase Agreement – working draft/mark-up. [Confidential & Privileged Attorney/Client Communication Exempt from Public records disclosure pursuant to GL Ch. 4§7, cl.26 (d, h and s)]